

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO

as representative of

THE COMMONWEALTH OF PUERTO  
RICO, *et al.*<sup>1</sup>

Debtors.

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF No. 7419, 7908, 8426**

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO  
RICO

as representative of

PUERTO RICO SALES TAX FINANCING  
CORPORATION (“COFINA”),

Debtor.

PROMESA

Title III

No. 17 BK 3284-LTS

**This document relates to the  
COFINA Title III case only and  
will be filed in the main case and  
COFINA Title III case.**

**STIPULATION AND AGREED ORDER (A) FURTHER EXTENDING DEADLINE  
TO RESPOND TO AAFAF’S OBJECTION TO THE PROOF OF CLAIM OF THE  
UNITED STATES DEPARTMENT OF THE TREASURY/INTERNAL REVENUE  
SERVICE (CLAIM NOS. 169423); AND (B) FURTHER ADJOURNING HEARING  
TO CONSIDER THE OBJECTION**

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as COFINA’s representative pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”), the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), on its own behalf and as the sole entity authorized to act on behalf of all of Puerto Rico’s governmental entities, including COFINA, by and through the *Enabling Act of the Fiscal Agency and Financial Advisory Authority*, Act 2-2017, and the United States Department of the Treasury/Internal Revenue Service (the “Claimant” or “IRS,” and together with AAFAF, and the Oversight Board, the “Parties”), hereby enter into this stipulation (the “Stipulation”) as follows:

## **RECITALS**

- A. The IRS filed two administrative expense claims against the Puerto Rico Sales Tax Financing Corporation (“COFINA”), which claims were logged by Prime Clerk, LLC, in May 2019, as Proofs of Claim Nos. 168648 and 168885 (collectively, the “Initial IRS Claims”).
- B. With permission of the Oversight Board, on June 12, 2019, AAFAF filed the *Objection of Puerto Rico Sales Tax Financing Corporation to Proofs of Claim of the United States Department of the Treasury/Internal Revenue Service (Claim Nos. 168648 and 168885)* [Case No. 17-03283-LTS, ECF No. 7419; Case No. 17-03284-LTS, ECF No. 643] (the “Objection”), seeking to disallow the Initial IRS Claims in their entirety.
- C. The notice of hearing attached to the Objection set a deadline of July 9, 2019, at 4:00 p.m. (Atlantic Time) for the IRS to respond to the Objection and July 24, 2019, at 9:30 a.m. (Atlantic Time) as the hearing date for the Court to consider the Objection in the event a timely response were filed.
- D. On June 27, 2019, the IRS filed a third administrative expense claim, which was

logged by Prime Clerk, LLC, as Proof of Claim No. 169423 (the “Amended IRS Claim”). The Amended IRS Claim contains substantially the same allegations as the Initial IRS Claims, and amends and supersedes the Initial IRS Claims.

E. On July 9, 2019, the Parties filed the *Stipulation and Agreed Order* (A) *Withdrawing Proofs of Claim of the United States Department of the Treasury/Internal Revenue Service (Claim Nos. 168648 and 168885); (B) Deeming Previously Filed Objection to Apply to Amended IRS Proof of Claim (Claim No. 169423); (C) Extending Deadline to Respond to the Objection; and (D) Adjourning Hearing to Consider the Objection* [Case No. 17-03283-LTS, ECF No. 7908; Case No. 17-03284-LTS, ECF No. 661], withdrawing the Initial IRS Claims, deeming the Objection to apply to the Amended IRS Claim, and extending the deadline for the IRS to respond to the Objection to August 9, 2019, at 4:00 p.m. (Atlantic Time), the deadline to reply to any response to September 4, 2019, at 4:00 p.m. (Atlantic Time), and adjourning the hearing date for the Court to consider the Amended IRS Claim, the Objection, and any objections, responses, or replies in connection therewith, to September 11, 2019, at 9:30 a.m. (Atlantic Time).

F. On August 9, 2019, the Parties filed the *Stipulation and Agreed Order* (A) *Extending Deadline to Respond to AAFAF’s Objection to the Proof of Claim of the United States Department of the Treasury/Internal Revenue Service (Claim Nos. 169423); and (B) Adjourning Hearing to Consider the Objection* [Case No. 17-03283-LTS, ECF No. 8426; Case No. 17-03284-LTS, ECF No. 665], extending the deadline for the IRS to respond to the Objection to September 11, 2019, at 4:00 p.m. (Atlantic Time), the deadline to reply to any response to October 23, 2019, at 4:00 p.m. (Atlantic Time), and adjourning the hearing date for the Court to consider the Amended IRS Claim, the Objection, and any responses or replies in connection therewith, to October 30, 2019, at 9:30 a.m. (Atlantic Time).

**NOW, THEREFORE**, in consideration of the foregoing, the Parties hereby agree as follows:

1. The deadline for the IRS to respond to the Objection is extended to **October 12, 2019, at 4:00 p.m. (Atlantic Time)**. Any reply shall be filed by **November 12, 2019, at 4:00 p.m. (Atlantic Time)**.
2. The hearing date for the Court to consider the Amended IRS Claim, the Objection, and any objections, responses, or replies in connection therewith, shall be **December 11, 2019, at 9:30 a.m. (Atlantic Time)**.
3. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Stipulation.
4. This Stipulation may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which will be deemed an original, but all of which together will constitute one instrument.

**STIPULATED AND AGREED TO BY:**

**O'MELVENY & MYERS LLP**

/s/ John J. Rapisardi

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**UNITED STATES DEPARTMENT OF JUSTICE, TAX DIVISION**

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*Representative of the United States Department of Treasury/Internal Revenue Service*

**SO ORDERED ON \_\_\_\_\_, 2019**

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HON. LAURA TAYLOR SWAIN UNITED STATES DISTRICT COURT JUDGE